



**PARALYZED VETERANS OF AMERICA**

**Michigan Chapter**

*Chartered by United States Congress*

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## **MICHIGAN PARALYZED VETERANS OF AMERICA**

**House Insurance Committee**

**Testimony – House Bill 4612**

**May 2, 2013**

**Presented by Michel F Harris, Executive Director**

**(United States Marine Corp 1975-79)**

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### **WHO IS PVA?**

The Paralyzed Veterans of America was founded in 1947 to address the needs and concerns of veterans who have sustained an injury or disease of the spinal cord. PVA is devoting its life and effort to enhancing the quality of life for these veterans and other persons with disabilities by administering programs in research, wheelchair sports, legislation and advocating for improved civil rights for persons with a disability regardless of race, creed or color.

## Michigan Paralyzed Veterans of America

Mr. Chairman, members of the House Insurance Committee, my name is Michael Harris, Executive Director for the Michigan Paralyzed Veterans of America (MPVA).

**I am here today in opposition of House Bill 4612.**

As the Michigan Paralyzed Veterans of America (MPVA) celebrates its fifty-second year, paralyzed veterans and all Americans with spinal cord injury/disease (SCI/D) can look back and see many remarkable advances in medical progress and quality of life.

The MPVA understands that specialized services, such as spinal cord injury care, are part of the core mission and responsibility of the VA. Specialized services provided through the VA spinal cord injury medical centers are essential to enjoying a productive and healthy life.

However, these services are expensive and are constantly being threatened by budget reductions. It is for that reason that paralyzed veterans visit with members of their Congressional Delegation every year to ensure that there is adequate funding for the VA.

The reason I bring this up is that there is a parallel between what happens to paralyzed veterans and people that are seriously injured in an automobile accident in Michigan.

The majority of MPVA members that have a non-service related spinal cord injury are a direct result of an auto accident. The Personal Injury Protection (PIP) coverage provided by Michigan No-Fault has been a tremendous help to our members. This coverage has benefited us in dealing with the many physical, psychological, and financial aspects of this life altering condition. To dismantle Michigan No-Fault insurance for some possible cost savings would be devastating for our members and for those who will be injured in the weeks, months, and years to come.

For me, the night of September 7<sup>th</sup>, 1986 was an evening that forever changed my life. I was traveling as a passenger in a car when the driver of the vehicle lost control and the car flipped onto its side. The impact of the accident fractured the T-5 vertebrae in my spinal column, severed my spinal cord, and left me as a paraplegic.

Suddenly, I went from being a fully functioning, independent person, to one who would be required to live with restrictions and dependent on others for my survival.

Prior to my injury, my understanding of the Michigan No-Fault Law was no different from the majority of people that I knew. We all thought when an automobile accident occurred that nobody was at fault. I never knew that the PIP was an unlimited coverage will pay all of your medical cost for the rest of your life.

The fact that your insurance company cannot abandon you in your time of need is what makes Michigan auto no-fault insurance system the best in the country.

If this legislation is signed into law and limits are made to medical coverage then I ask the following questions:

- Who will pay for the medical care?
- Will we simply start loading up nursing homes with the seriously injured?
- Will we allow hospitals to wheel patients out to the curb once they have reached their medical limit?
- How long will your health care insurance (if you have any) last when you can no longer work?
- What will happen to your family once you have exhausted all of your financial assets paying for your own care?

My injury occurred 27 years ago, and my health insurance through my employer could not have begun to cover everything that was needed.

Back in 1986, my hospital bill at the University of Michigan was \$86,000. When inquiring what the same medical care would cost in today's dollars I was informed by the Physical Medicine & Rehab Department at the University of Michigan it probably would cost about \$700,000. They indicated that the average stay at the University of Michigan Spinal Cord Injury unit in 2011 has been around \$500,000.

When our Board was informed that legislation was being introduced that places limits on medical care they could not believe what they were hearing because we realize the importance that the PIP coverage has in one's quality of life. It provides the necessary supports that allow us to become productive citizens in the communities that we reside in. Without those supports, I would not be here today speaking to you as the Executive Director of MPVA.

Michigan No-Fault auto insurance is one of the few things in Michigan that we can be proud of. Paralyzed Veterans from other states cannot believe the incredible coverage that Michigan provides for people that our seriously injured in an automobile accident.

I have always compared it to the coverage our members with a service related spinal cord injury receive from the VA. The only difference is that they receive monthly compensation for the rest of their life.

The insurance industry would have everyone believe that the only way to reduce costs is by cutting personal injury benefits which ultimately pushes their expenses onto Medicaid, and restricting accident victim's rights. MPVA believes there are better solutions.

MPVA has called on Michigan legislators to enact laws that require the Michigan Catastrophic Claims Association (MCCA) to release financial information so both policy makers and interest groups can make informed decisions on proposed changes to the Michigan No-Fault law.

The information is critical in revealing to Michigan citizens and lawmakers the rationale behind the insurance industry claim that Michigan's current auto no-fault system is financially unsustainable and that the MCCA will soon go bankrupt without capping benefits and enforcing strict cost controls.

To date, the MCCA has continued to assert its claim of exemption from all attempts to secure this essential information – including the recently-filed FOIA lawsuit by the Coalition to Protect Auto No-Fault (CPAN) – effectively blocking the ability of all concerned parties to assess the no-fault system, address its shortfalls, and collaborate on appropriate solutions to fix the system without sacrificing no-fault's core principle of immediate access to appropriate, unlimited care for catastrophically-injured victims.

This is about transparency and access to information. The MCCA is a public body that collects millions of dollars from millions of Michigan citizens, including our state lawmakers, and we have a right to see the records of how that money is managed.

The MPVA believes that the Michigan No-fault system provides the best insurance value in the country and needs to be maintained. Since the early 1990's insurance companies have been attempting to impose strict controls, reduce benefits and promote other reforms that would eliminate no-fault as it is known in Michigan today. Each attempt has ended in the same result: with lawmakers and the public reaffirming their support for a system with a very powerful message—that the protections of the supports necessary to make us whole again are priceless!

This concludes my statement. I would be pleased to address any questions or comments that you or other members of the committee may have.

Thank you, again, for the opportunity to present our remarks.